



## **City of Cincinnati Retirement System Benefits Committee Minutes**

February 23, 2012 – 12: 00 P.M.  
City Hall – Committee Room B

The meeting was called to order: 12:05 P.M.

Present

M. Fehn  
M. Matlock  
B. Partridge  
R. Sims

Staff Present

Paula Tilsley  
Cheryl Volk

Absent

M. Rachford

APPROVAL OF MINUTES FEBRUARY 2, 2012

M. Fehn recommended a correction to the language regarding a motion from Mike Rachford. Corrections were recommended to provide clarification of the motion. M. Fehn made a motion to approve the February 2, 2012 Benefits Committee minutes with the corrections. M. Matlock seconded the motion and the motion passed. Minutes were approved with corrections.

EQUAL PARTNER BENEFITS

In January 2012, Councilmember Chris Seelbach made a motion that City Administration address the feasibility of providing pension and healthcare benefits to equal partners of retirees and to report the legal and fiscal impact of these proposals. Benefits Committee to consider all available data and submit their recommendation to the CRS Board.

P. Tilsley and B. Partridge provided the following information for the committee's consideration:

- Employees would be required to reach current CRS eligibility requirements for retirement and for healthcare benefits in order to extend certain benefits to Equal Partners
- Thresholds need to be developed to qualify as an eligible Equal Partner. C. Seelbach supports the thresholds developed by the City of Columbus for their employees and the City of Cincinnati is considering this same language.
- Research is needed to determine how this initiative would impact survivor benefits
- The program could be cost prohibitive:
  - Federal tax issues resulting from the Defense of Marriage Act (DOMA)
  - The full cost of the benefits would be considered imputed income to the participants
- Other employers have reported enrollments by active employees of ½% to 1% of population

- o A 30- year projection reflected minimal impact on the CRS Health Care Trust's unfunded actuarial accrued liability (UAAL) and funded ratio with ½% and 1% enrollment.

IceMiller LLP, Legal Counsel, to provide CRS Board of Trustees a legal brief and summary of the tax consequences connected with Equal Partner Benefits.

***Committee Action***

B. Partridge made a motion to extend benefits to Equal Partners effective January 1, 2013 in accord with the current CRS eligibility requirements assuming there are no legal impediments. Thresholds are to be equal to or greater than those of the City of Columbus. Members are subject to the same eligibility criteria as all CRS members who elect to retire and choose medical benefits. M. Matlock seconded the motion. Following a majority vote, the motion passed.

Vote:

M. Fehn - Voted No - due to the unpredictability of the plan and its impact on the Health Care Trust  
 M. Matlock Yes  
 B. Partridge Yes  
 R. Sims Yes

RETIREE MEDICAL PREMIUM SHARE (POINT SYSTEM)

The System needs to actively monitor and manage the benefits offered through the Health Care Trust. Health Care premiums paid by retirees are directly deposited into the Health Care Trust. No employer contributions will be made to the Health Care Trust beginning with the 2011 plan year and in future years until the Pension Trust is stabilized.

The CRS Code currently provides a point system used to determine the premium share for medical coverage for members who were hired on or after January 9, 1997 and retire with at least 15 years of service. The point system consisting of years of service combined with the member's age at termination will affect certain new retirees (hired on or after 1/9/97) starting in January 2012.

B. Partridge presented a data analysis of retirees currently receiving CRS health care benefits. The report provided the head counts, years of service at retirement, and ages for the following populations:

- All participants
- Deferred retirements
- Continuing annuitants
- Survivors
- Disability retirements

A substantial number of retirees and annuitants currently enrolled in CRS healthcare benefits had 15 years or less service time at time of retirement. The Committee agreed that a redesign of the point system is needed to better align with other benefit changes that became effective 1/1/12. Request AON to research options available to restructure the existing point system. AON to provide an educational session on healthcare benefits and present options at the next meeting of the Benefits Committee. Benefits Committee may also request AON to present the information to the CRS Board of Trustees.

DISABILITY PROGRAM

AON to research options available for restructuring the CRS Disability Program. The next meeting of the Benefits Committee was re-scheduled for 10 A.M. on Tuesday, March 13, 2012.

**Disability Case - Gary Waldon**

The Benefits Committee reviewed the original report and the report based on Mr. Waldon's appeal.

Executive Session Open

R. Sims made a motion to call Executive Session to order to discuss the disability appeal case of Gary Waldon. B. Partridge seconded the motion and the motion passed. Executive Session called to order 1:55 P.M.

Executive Session Closed

Motion made by M. Fehn and seconded by M. Matlock to adjourn the Executive Session.

***Committee Action***

M. Matlock made a motion to deny Gary Waldon's appeal for disability retirement. M. Fehn seconded the motion and the motion passed. The disability appeal was denied.

***Committee Action***

M. Fehn made a motion to adjourn the meeting. M. Matlock seconded the motion and the motion passed. Meeting was adjourned at 2:05 P.M.